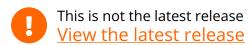


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Average Weekly Earnings, Australia

Results of the Survey of Average Weekly Earnings containing estimates of earnings classified by industry, sector and state/territory

Reference period May 2020

Released 13/08/2020

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- Full-time adult average weekly earnings increased by 4.8% to \$1,713.90.
- Male average weekly earnings: \$1,958.30 (public), and \$1,780.70 (private).

- Female average weekly earnings: \$1,751.30 (public), and \$1,469.10 (private).
- The mining industry had the highest average weekly earnings at \$2,697.50.

Main features

May key figures

The following table contains the key Average Weekly Earnings figures for the May 2020 reference period.

The Australian Bureau of Statistics' Average Weekly Earnings survey is designed to measure the level of average earnings in Australia at a point in time. Movements in average weekly earnings can be affected by changes in both the level of earnings per employee and in the composition of the labour force. Factors which can contribute to compositional change include variation in the proportion of full-time, part-time, casual and junior employees; variation in the occupational distribution within and across industries; variation in the distribution of hours worked and paid for.

For more information on compositional changes, see Spotlight: Increases in Average Weekly Earnings – compositional changes during the COVID-19 period.

Table 1 - Average weekly earnings, key figures, Australia, May 2020

	May 2020	May 2019 to May 2020
	\$	% change
Seasonally Adjusted		
Full-time adult average weekly ordinary time earnings(a)	1 713.90	4.8
Full-time adult average weekly total earnings	1 771.20	4.3
All employees average weekly total earnings(a)	1 304.70	5.4
Original		
Full-time adult average weekly ordinary time earnings	1 713.90	4.8
Full-time adult average weekly total earnings	1 768.90	4.4
All employees average weekly total earnings	1 304.70	5.4

a. This component is not seasonally adjusted.

Seasonally adjusted estimates

In the twelve months to May 2020, Full-Time Adult Average Weekly Ordinary Time Earnings increased by 4.8% to \$1,713.90.

The Full-Time Adult Average Weekly Total Earnings in May 2020 was \$1,771.20, a rise of 4.3% from the same time last year.

To access the time series spreadsheets related to the measures presented above, please refer to the Data downloads section.

COVID-19 pandemic

From 22 March 2020, Australia saw the progressive introduction of major social distancing and other business-related restrictions to slow the spread of COVID-19. Most of these restrictions were still in effect during the Average Weekly Earnings reference period for the quarter (the last pay period ending on or before Friday 15 May 2020). May estimates therefore reflect the outcome of major compositional change in the labour market during the COVID-19 period. For more information, see Spotlight: Increases in Average Weekly Earnings.

Suspension of trend estimates

Given the extent of change in the Average Weekly Earnings time series during the COVID-19 period, the ABS has temporarily suspended trend series and moved to using forward factors for seasonal adjustment for a range of series. For more information, please refer to:

Spotlight: Average Weekly Earnings survey methods during the COVID-19 period.

Survey responses remain high in May

Responses for the Average Weekly Earnings May 2020 quarter remained high, with similar levels of responses to previous quarters. The ABS would like to thank the Australian business community for their continued support in responding to our surveys during such a difficult time, given how critically important this information is.

Australia

Table 2 below presents the seasonally adjusted estimates of the key Average Weekly Earnings, Australia series.

Full-Time Adult Average Weekly Ordinary Time Earnings between May 2019 and May 2020 rose by 4.8% to \$1,713.90.

Table 2 - Average weekly earnings, Australia, seasonally adjusted, May 2020

	May 2020	May 2019 to May 2020
	\$	% change
Males		
Full-time adult average weekly ordinary time earnings(a)	1 812.00	4.9
Full-time adult average weekly total earnings	1 892.60	4.3
All employees average weekly total earnings(a)	1 537.70	4.2
Females		
Full-time adult average weekly ordinary time earnings(a)	1 558.40	4.9
Full-time adult average weekly total earnings	1 577.70	4.6
All employees average weekly total earnings	1 082.70	7.1
Persons		
Full-time adult average weekly ordinary time earnings(a)	1 713.90	4.8
Full-time adult average weekly total earnings	1 771.20	4.3
All employees average weekly total earnings(a)	1 304.70	5.4

a. This component is not seasonally adjusted.

Original series data presented below has not been adjusted to remove the effects of either seasonal or irregular influences. Compared with May 2019, Full-Time Adult Average Weekly Ordinary Time Earnings rose by 4.8% to \$1,713.90, in original terms.

Table 3 - Average weekly earnings, Australia, original, May 2020

	May 2020	May 2019 to May 2020	
	\$	% change	
Males			
Full-time adult average weekly ordinary time earnings	1 812.00	4.9	
Full-time adult average weekly total earnings	1 889.70	4.3	
All employees average weekly total earnings	1 537.70	4.2	
Females			
Full-time adult average weekly ordinary time earnings	1 558.40	4.9	
Full-time adult average weekly total earnings	1 577.30	4.6	
All employees average weekly total earnings	1 083.00	7.1	
Persons			
Full-time adult average weekly ordinary time earnings	1 713.90	4.8	
Full-time adult average weekly total earnings	1 768.90	4.4	
All employees average weekly total earnings	1 304.70	5.4	

It is important to note that while Average Weekly Earnings data can be used to compare, at the very broad level, average earnings between males and females, such comparisons do not take into account a range of compositional differences. For example, differences in occupation or hours worked which contribute significantly to the differences observed between male and female earnings. Details of occupation and hours worked are not collected in the Average Weekly Earnings survey. For further comparisons between male and female wages, including hourly rates and by occupation, refer to Employee Earnings and Hours, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6306.0) (cat. no. 6306.0).

For further earnings information related to industry, including a breakdown by sex, please refer to the time series spreadsheets in the Data downloads section.

Private and public sector earnings

In May 2020, the Full-Time Adult Average Weekly Ordinary Time Earnings was \$1,848.40 in the Public sector. Private sector Full-Time Adult Average Weekly Ordinary Time Earnings was \$1,673.60.

Table 4 - Average weekly earnings, by sector, original, May 2020

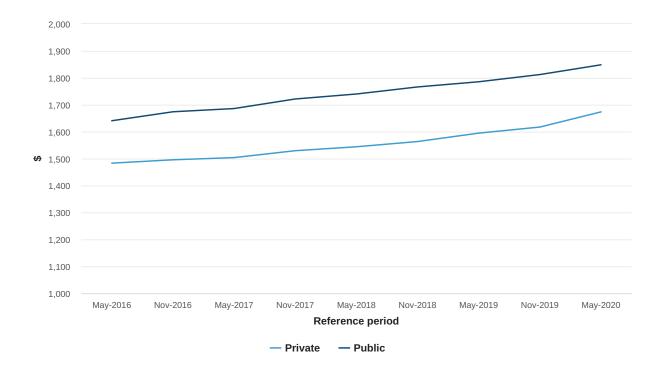
	May 2020	May 2019 to May 2020	
	\$	% change	
Australia			
Full-time adult average weekly ordinary time earnings	1 713.90	4.8	
Full-time adult average weekly total earnings	1 768.90	4.4	
All employees average weekly total earnings	1 304.70	5.4	
Private Sector			
Full-time adult average weekly ordinary time earnings	1 673.60	4.9	
Full-time adult average weekly total earnings	1 730.40	4.5	
All employees average weekly total earnings	1 244.20	5.2	
Public Sector			
Full-time adult average weekly ordinary time earnings	1 848.40	3.5	
Full-time adult average weekly total earnings	1 897.30	3.1	
All employees average weekly total earnings	1 555.50	5.4	

Looking at Full-Time Adult Average Weekly Ordinary Time Earnings for May 2020 in more detail:

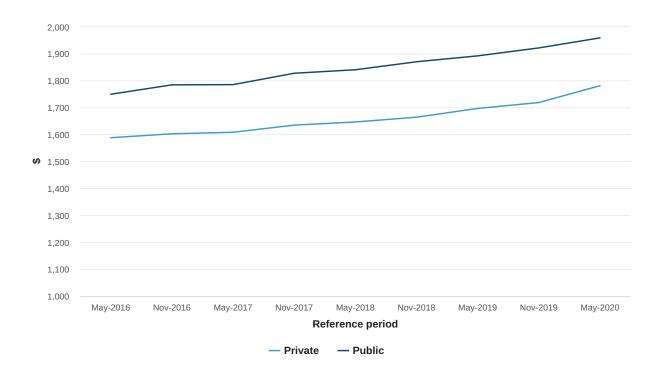
- the Full-Time Adult Male Average Weekly Ordinary Time Earnings was \$1,958.30 in the Public sector, and \$1,780.70 in the Private sector; and
- the Full-Time Adult Female Average Weekly Ordinary Time Earnings was \$1,751.30 in the Public sector, and \$1,469.10 in the Private sector.

Average weekly ordinary time earnings, full time adults by sector, original

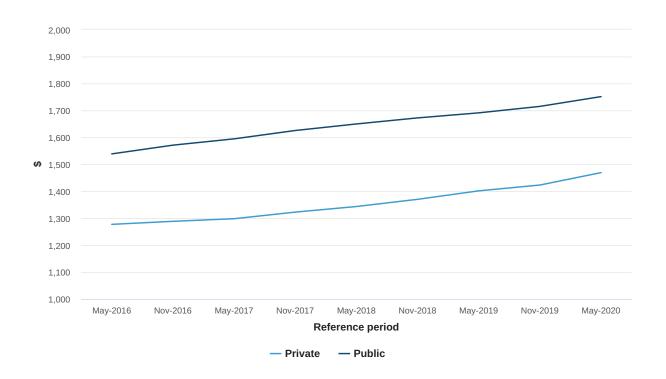
Persons



Males



Females



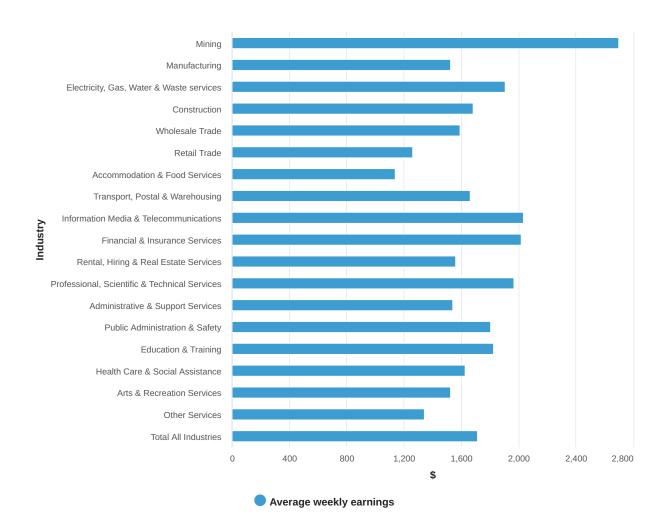
For further earnings information related to sector, including a breakdown by sex, and estimates in Seasonally Adjusted terms, please refer to the time series spreadsheets in the Data downloads section.

Industry earnings

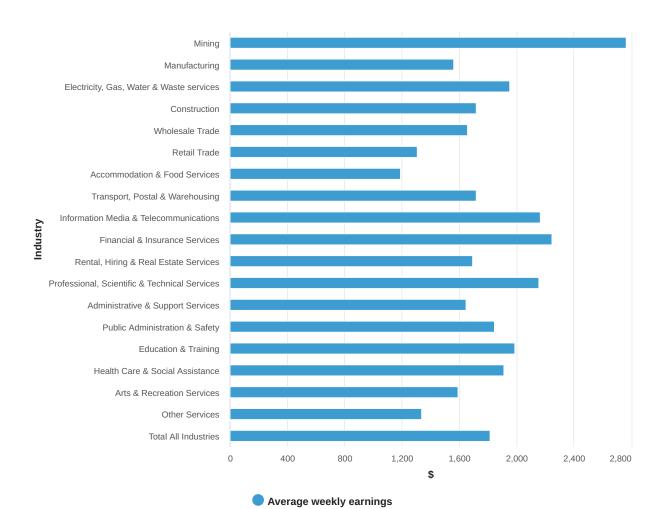
In May 2020, employees in the Mining industry had the highest Full-Time Adult Average Weekly Ordinary Time Earnings in Australia at \$2,697.50. The industry with the lowest level of Full-Time Adult Average Weekly Ordinary Time Earnings was the Accommodation and food services industry (\$1,139.30).

Average weekly ordinary time earnings, full time adults by industry, original

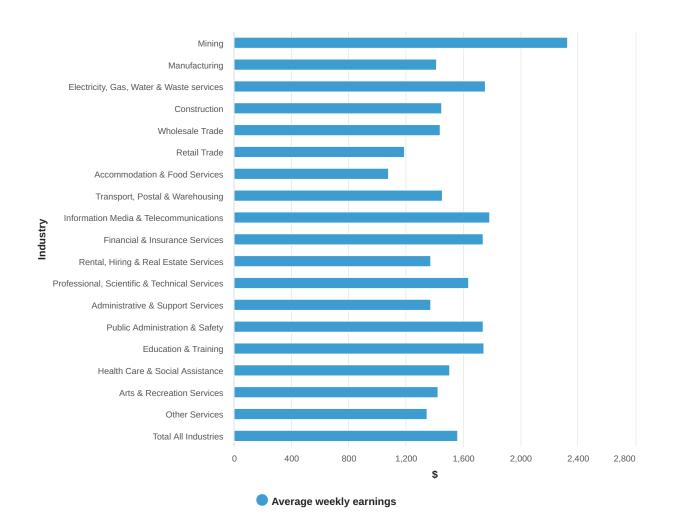
Persons



Males



Females



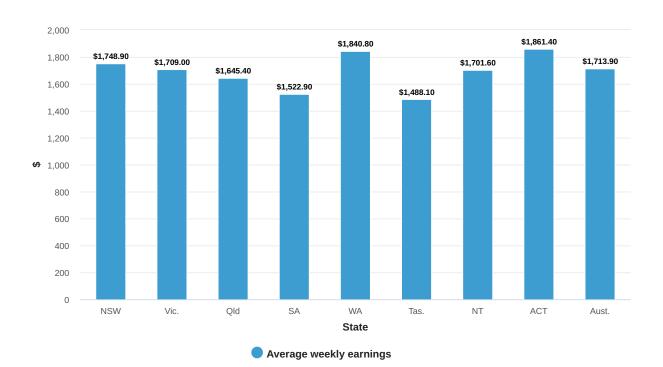
For further earnings information related to industry, including a breakdown by sex, please refer to the time series spreadsheets in the Data downloads section.

State and territory earnings

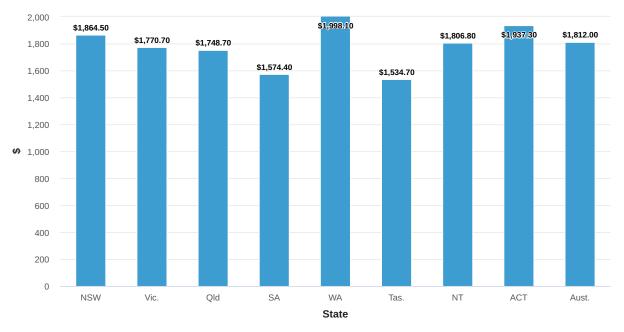
In May 2020, Full-Time Adult Average Weekly Ordinary Time Earnings was highest for the

Average weekly ordinary time earnings, full time adults by state, original

Persons

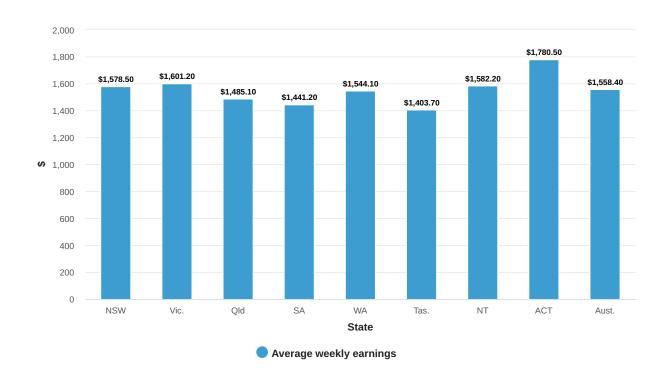


Males



Average weekly earnings

Females



For further earnings information related to States and Territories, including detailed breakdown by sex, please refer to the time series spreadsheets in the Data downloads section.

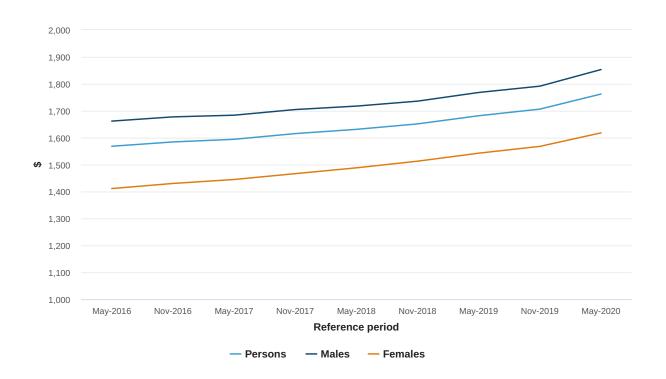
Average weekly cash earnings

Commentary in the other sections of this release relates exclusively to estimates of employee earnings excluding amounts salary sacrificed. This section includes information on Average Weekly Cash Earnings (AWCE), which provides estimates of employee earnings including amounts salary sacrificed.

Salary sacrifice is defined as an arrangement where an employee agrees to forgo part of his or her salary in return for benefits of a similar value. Common types of salary sacrifice arrangements include pre-tax contributions to superannuation funds and novated leases

for motor vehicles.

Average weekly ordinary time cash earnings, full time adults, original



In May 2020, on average, full-time adult employees in Australia salary sacrificed \$48.30 (Full-time adult ordinary time cash earnings \$1,762.20 minus Full-time adult ordinary time earnings \$1,713.90). This is an increase of \$0.50 from November 2019.

Amounts salary sacrificed by an employee can be affected by a change in his or her earnings (for example, an increase in the level of overtime worked or commissions earned). Additionally, some employees sacrifice more of their salary at the beginning of the financial year and then the amount tapers off towards the end of the year when he or she has reached the concessional contributions cap for salary sacrificing superannuation. For other employees, the amount of salary sacrificed increases towards the end of the financial year to ensure the cap is reached. A feature article (https://www.abs.gov.au/AUSSTATS/abs@.nsf /Previousproducts

/6302.0Main%20Features8Nov%202012?opendocument&tabname=Summary&

<u>prodno=6302.0&issue=Nov%202012&num=&view=)</u> examining Salary Sacrifice arrangements of Australian employees was published in the November 2012 AWE release.

For further earnings information related to Average Weekly Cash Earnings, please refer to the data cubes in the Data downloads section.

Spotlight - increases in average weekly earnings - compositional changes during the COVID-19 period

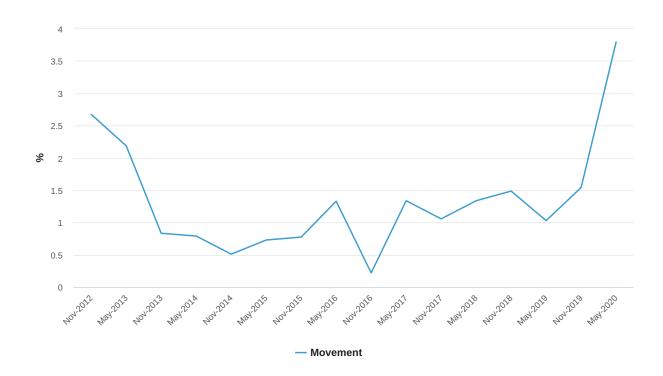
The May 2020 cycle of the Survey of Average Weekly Earnings (AWE) collected data from businesses for the last pay period ending on or before 15 May 2020. The collected data reflects wages and employment during wide-spread restrictions on businesses and people across Australia, in response to the COVID-19 pandemic.

At this time, around 74% of businesses were operating under modified working conditions; around 53% of businesses reported reducing hours worked by staff and 24% reported reductions in the number of employees (Business impacts of COVID-19, May 2020 (https://www.abs.gov.au/statistics/economy/business-indicators/business-indicators-business-impacts-covid-19/may-2020), cat. no. 5676.0.55.003). A range of indicators, including Labour Force estimates and payroll jobs derived from Single Touch Payroll data, showed large reductions in employment and jobs between March and May. All of these changes resulted in large-scale compositional change in the labour market, which is important to consider when interpreting changes in average weekly earnings.

Average weekly earnings for all employees rose by 3.8% in the six months to May 2020 (seasonally adjusted). This was the greatest biannual rise in the published seasonally adjusted series (commencing May 2012, when the frequency of the survey was changed) and was considerably greater than the recent average biannual increase over the November 2013-November 2019 period (around 1%). Using original figures, the current biannual increase is the greatest since November 2009.

Through the year to May 2020, average weekly earnings rose by 5.4%, underpinned by the strong biannual increase.

Six-monthly movement - average weekly earnings, all employees, seasonally adjusted



Factors influencing changes in average weekly earnings

Given the major labour market impacts from COVID-19, it may seem counter-intuitive that average earnings would show strong growth in the six months to May 2020. However, an increase in average weekly earnings does not necessarily reflect increased wages at the individual employee level, nor reflect an increase in labour demand. For further information on the differences between AWE and the Wage Price Index, see the Spotlight Comparing Average Weekly Earnings with other ABS measures.

Given AWE estimates reflect aggregate measures of the labour market (rather than information on individual workers and how their earnings change over time), changes over time always reflect a degree of compositional change in the wage and salary earner segment of the labour force. Compositional changes can include variations over time in the proportions of full-time, part-time, casual and junior employees; variations in the occupational distribution within and across industries; and variations in the distribution of employment between industries.

The COVID-19 period has been unprecedented in the scale and speed of changes in the labour market. As various restrictions to control COVID-19 have been implemented, relaxed and lifted, employment and hours have changed considerably.

Between March and May 2020, there was a major decrease in the number of jobs, people employed, and hours worked, with lower paid jobs and industries particularly impacted. While some employees saw decreases in their earnings and hours over the period, some part-time and junior employees saw increases in their earnings, as a result of the relative contribution of the JobKeeper payment (which was a standard amount of \$1,500 per fortnight or \$750 per week, regardless of the relative level of pre-COVID-19 earnings).

Insights into compositional changes during the COVID-19 period

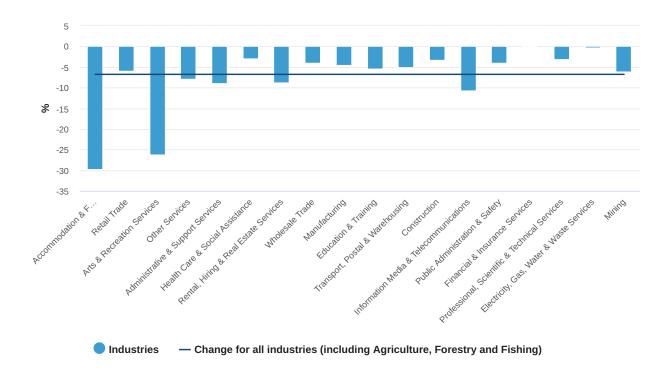
While Average Weekly Earnings only collects aggregate information, which makes it difficult to discern the sources of compositional change, other labour statistics can provide useful insights.

Labour Force data indicates that from March to May 2020, the number of employed people decreased by 871,500, reflecting the large reduction in jobs during this time. Data from Weekly Payroll Jobs and Wages in Australia (https://www.abs.gov.au/ausstats/abs@.nsf /mf/6160.0.55.001) showed a 6.8% decrease in payroll jobs in the week ending 16 May 2020 compared to 14 March 2020, when Australia first reached 100 confirmed COVID-19 cases.

Losses in jobs and employment were not evenly distributed across the labour market. Changes in payroll jobs ranged widely between industries, from a decrease of 29.7% in the Accommodation and food industry to a 0.3% increase in Financial and insurance services.

The chart below displays the change in weekly payroll jobs to 16 May 2020, ordered based on the median total weekly cash earnings from Employee Earnings and Hours, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6306.0), May 2018. It highlights that the industries with the lowest median total weekly cash earnings (on the left) were also the industries that were most impacted by payroll job losses. The large-scale loss of lower paid jobs in these industries will have the effect of increasing the value of average weekly earnings at the economy level.

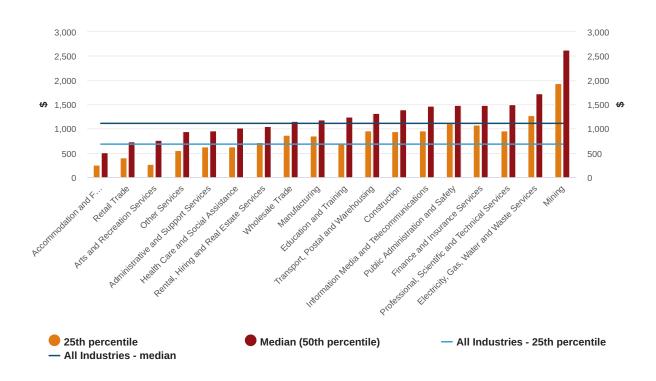
Change in payroll jobs between weeks ending 14 March and 16 May, 2020



Sources: Weekly Payroll Jobs and Wages in Australia (cat. no. 6160.0.55.001) and Employee Earnings and Hours, Australia (cat. no. 6306.0)

The Accommodation and food services industry, which saw the greatest decrease in payroll jobs, also had the lowest median pay of all industries at \$516.00 in May 2018. This compared with median pay of \$1,490.00 in the Financial and insurance services industry, which recorded a 0.3% increase in payroll jobs.

25th percentile and median, all employees total weekly cash earnings by Industry, May 2018



It is important to note that the average weekly earnings measures decreased in May 2020 within some of the industries impacted heavily by losses in payroll jobs, which may partly reflect that some of the relatively higher earning jobs in those industries were also lost.

Weekly Payroll Jobs and Wages data also shows that losses of payroll jobs during the COVID-19 crisis were greater for jobs worked by younger people, with payroll jobs undertaken by employees aged under 20 years decreasing by 17.7% between Australia's 100th COVID-19 case (week ending 14 March) and the week ending 16 May. This compared with a total decrease of 6.8%, across all of the age groups. Although the age groupings don't align exactly, data published in Employee Earnings and Hours, Australia shows that younger age groupings had lower median pay (\$298 per week for employees aged 20 years and under, compared to \$1,110 per week for all employees).

Median weekly total cash earnings by age group, May 2018

20 years and	21 to 34	35 to 44	45 to 54	55 years and	All ages
under	years	years	years	over	
\$298.00	\$1,030.00	\$1,301.00	\$1,302.00	\$1,176.00	\$1,110.00

Source: Employee Earnings and Hours, Australia, May 2018 (6306.0)

Change in payroll jobs by age group between weeks ending 14 March 2020 and 16 May 2020

Under 20	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69	70 years	All
years	years	years	years	years	years	and over	ages
-17.7%	-11.6%	-5.3%	-3.8%	-3.5%	-5.1%	-8.4%	-6.8%

Source: Weekly Payroll Jobs and Wages, data retrieved 11 Aug 2020 (6160.0.55.001)

Casual employees have also been over-represented in job losses, with quarterly Labour Force data showing that around three-quarters of the fall in employees were casual employees, while they only represented around a quarter of employees before the COVID-19 period. Employee Earnings and Hours data showed that median earnings for casual employees were less than half that of other employees (\$480.00 in median weekly total cash earnings, compared with \$1,269.00 for fixed-term or permanent employees).

Job losses during the COVID-19 period is just one element of compositional change that has contributed to changes in average weekly earnings. A range of other elements can also be explored using other ABS labour statistics, such as:

- changes in hours worked;
- changes in employment conditions;
- changes in employee characteristics such as age, experience and training; and
- changes in the relative share of occupations.

All of these elements were present in comments that businesses provided to the ABS during the May 2020 cycle. A range of businesses indicated they had reduced hours paid due to COVID-19 impacts, with some reducing the numbers of employees and others not. Other businesses reported employees taking pay cuts in an effort to maintain staffing numbers. Some businesses also noted making greater efforts to retain more skilled or experienced staff, who were often more highly paid.

JobKeeper and average weekly earnings

JobKeeper is a wage subsidy to help businesses to retain employees during the COVID-19 period. Eligibility criteria apply for both the business and employees for whom the payment is claimed. In May 2020, employees whose wage was supported by the JobKeeper payment were required to be paid wages of at least \$1,500 per fortnight (or \$750 per week). This included employees who were stood down and did not work any hours.

Employees whose earnings were supported by JobKeeper payments and who would normally receive more than \$750 per week may have received a reduction to \$750 per week. However, as the \$750 per week payment was the minimum payable wage for an employee supported by JobKeeper, some lower paid employees (particularly part-time and junior employees) received an effective increase in their wages. The impact of JobKeeper on average earnings therefore varied across industries based on a range of factors including the numbers of employees supported by it, whether wages were "topped up" above the minimum \$750 per week amount, and how the JobKeeper-supported wage compared to previous earnings.

As outlined in the Spotlight Average Weekly Earnings survey methods during COVID-19, adult employees who had a reduction from full-time hours and an accompanying change in earnings in the May 2020 reference week (compared to the pre-COVID-19 period) were not categorised as full-time in May 2020 estimates. This includes employees who were stood down and receiving only the JobKeeper payment as wages.

Given the May 2020 AWE data reflects a combination of earnings that were not supported by JobKeeper, that were partially supported by JobKeeper and that were entirely supported by JobKeeper, it is not possible to estimate the direct impact of JobKeeper on average earnings, or to differentiate it from other compositional changes discussed earlier.

JobKeeper and average weekly earnings - high level common sample analysis

The ABS undertook analysis of average earnings for employers who were in receipt of at least one JobKeeper payment in April or May 2020 and those who weren't, using the common sample of businesses surveyed in both November 2019 and May 2020. Given AWE data are collected as a series of payroll aggregates, rather than job-level data, this analysis was unavoidably limited to comparisons of average earnings between two groups of businesses. Future analysis of a data source with detailed job-level earnings would be useful to better understand the relative contribution of JobKeeper on average earnings, compared with other compositional factors.

The AWE analysis showed that businesses that claimed at least one JobKeeper payment had

lower average earning than those that did not. This was the case in November 2019 as well as in May 2020, highlighting the COVID-19 impacts on lower paid jobs and in lower paying industries.

Over the six months to May 2020, the increase in average weekly earnings was only slightly higher for businesses that claimed JobKeeper than for those that did not, at the Australian economy level. This highlighted that the increase in earnings was not clearly concentrated in businesses supported by JobKeeper, suggesting that JobKeeper-related effects were just one of many related compositional changes over the period.

Conclusion

The COVID-19 period has seen rapid and large-scale change in the composition of the labour market. These changes in the make-up and structure of the labour market need to be considered when analysing the Average Weekly Earnings data for May 2020, and the strong growth recorded since November 2019. Other labour statistics can provide important insights into these compositional changes, to support the informed use of average weekly earnings measures during this period.

For more information, email <u>labour.statistics@abs.gov.au</u> (<u>mailto:labour.statistics@abs.gov.au</u>).

Spotlight - comparing average weekly earnings with other measures of earnings

What does the survey of average weekly earnings measure?

Average Weekly Earnings (AWE) statistics represent average gross earnings of employees at a point in time. AWE estimates are derived by dividing estimates of total earnings by estimates of the number of employees. It measures the overall earnings relative to the number of employees. AWE is not a survey of individual workers and how their earnings change over time, which means that AWE estimates do not specifically measure the earnings of the 'average person'.

AWE data are collected at the business level with selected businesses reporting total/aggregate payroll data. The survey is relatively short and simple, and can only provide data for the limited number of groupings that are collected from the business in the survey (male / female, full-time adult and all employees). As information on hours paid is not collected, AWE cannot provide information on hourly rates of pay.

Changes in the averages between cycles are affected by changes in the level of earnings of employees as well as changes in the overall composition of the wage and salary earner

segment of the labour force. There are several factors which can contribute to compositional changes, including variations over time in the proportions of full-time, part-time, casual and junior employees; variations in the occupational distribution within and across industries; variations in the distribution of employment between industries; and variations in the proportion of male and female employees. Such effects may apply differently within different states and territories, and over time. While, over the longer term, AWE gives a reliable measure of changes in average earnings, caution needs to be exercised in interpreting AWE movements from period to period – particularly during times of major compositional change, like during the COVID-19 period.

How does AWE data compare with other ABS sources of earnings information?

The ABS produces earnings estimates from a number of different data sources, providing a wide range of measures for a variety of purposes. Earnings data can differ between sources as a result of differences in scope, coverage and methodology. The decision on which data to use depends on the purpose and type of analysis. The following table summarises differences between AWE and other key ABS measures of wages and salaries

	Survey of Average Weekly Earnings (AWE) cat. no. 6302.0	Survey of Employee Earnings and Hours (EEH) (https://www.a bs.gov.au /ausstats /abs@.nsf /mf/6306.0) cat. no. 6306.0	Wage Price Index (WPI) (https://www .abs.gov.au /ausstats /abs@.nsf /mf/6345.0) cat. no. 6345.0	Weekly Payroll Jobs and Wages (https://www.abs.gov .au/ausstats /abs@.nsf /mf/6160.0.55.001) cat. no. 6160.0.55.001
Purpose of collection	Estimates the current average value of wages and salaries paid to employees.	Detailed point in time estimates of the composition and distribution of employee earnings, hours paid for and methods used to set employee's pay.	and salaries that arise	Experimental index series of estimates on the impact of coronavirus (COVID-19) on employee jobs and wages.
Collection specifics	Six monthly business survey.	Two yearly business survey with employee component.	•	Weekly estimates using data sourced from the Australian Tax Office Single Touch Payroll data.
Treatment of employee earnings supported by JobKeeper	Included within earnings.	The next survey is scheduled to be collected in May 2021.	Wage subsidies (such as JobKeeper) fall outside of the WPI conceptual framework and have no direct impact on the WPI*.	f Included within earnings.
When to use	When the analysis is focused on the current value of average wages and salaries that reflects the contemporary structure in the labour market.	When the analysis requires cross-classification by employer, employee and job characteristics (particularly hours information) or distributional data is required.	concerned with the price	

^{*} New analytical indexes are planned for future release alongside the WPI that will provide insights around the combined impacts of government measures on the Australian labour market. For more information refer to Measuring the Wage Price Index during the COVID-19 pandemic (https://abs.gov.au/articles/methods-changes-during-covid-19-period).

Illustrating the differences between key series with a scenario

To provide a simple illustration of some of the above differences, imagine that the data relates to information from a single business, Business X, rather than the actual large, representative datasets that the estimates are actually produced from.

At the time of the first survey cycle, Business X has ten employees. Prior to the second survey cycle, the lowest paid staff member retires and is not replaced. The remaining staff maintain their existing remuneration and conditions.

AWE scenario: Both the reported total number of employees and total gross weekly

earnings will decrease. However, the resulting average (total gross weekly earnings divided by total employees) will increase due to the retirement of the lowest paid staff member, and the compositional shift towards higher paid jobs.

Weekly Payroll Jobs and Wages scenario: Both the number of payroll jobs and total wages data will decrease in response to the retiring employee.

WPI scenario: The WPI tracks jobs and will not be affected. As the job does not exist in the second survey cycle, it will not contribute to the calculation of changes in the price of wages and salaries.

For more information on the concept of average earnings, refer to the Survey of Average Weekly Earnings chapter of <u>Labour Statistics: Concepts, Sources and Methods</u> (https://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/6102.0.55.001) (cat. no. 6102.0.55.001), or email <u>labour.statistics@abs.gov.au</u> (mailto:labour.statistics@abs.gov.au).

Spotlight - average weekly earnings survey methods during COVID-19

This spotlight outlines the impacts of the COVID-19 period on the methods for the survey of Average Weekly Earnings (AWE) in the May 2020 cycle, which had a reference period of the last pay period ending on or before 15 May 2020.

Treatment of JobKeeper-supported earnings

Employee earnings that were supported by the JobKeeper wage subsidy (including those whose pay was entirely supported by a \$1,500 per fortnight payment) were in scope for the AWE survey. May 2020 estimates continue to reflect the longstanding measure of average employee earnings, and include a combination of earnings that were not supported by JobKeeper, that were partially supported by JobKeeper and that were entirely supported by JobKeeper.

Further conceptual implications of the COVID-19 landscape

The AWE May 2020 survey identified a large number of employees with reduced hours and changed earnings relative to the pre-COVID-19 period.

To ensure that the Full-time adult series continued to best reflect earnings for adults working full-time hours, adult employees who had a reduction from full-time hours and an accompanying change in earnings in the reference week (compared to the pre-COVID-19 period) were removed from the Full-time adult category. These employees were still included in the All employees series. The ABS worked closely with data providers to identify

such employees, and to ensure that data best reflected their working arrangements.

Employees who are stood down without pay are out of scope for the AWE survey.

Changes to the survey materials

Whilst there were no changes to question wording, the AWE May 2020 survey material incorporated specific instructions to include data for employees "paid a wage subsidy such as the JobKeeper Payment" and to exclude information regarding those "stood down without pay". These were explicitly noted to aid businesses in reporting correctly during COVID-19, and did not reflect changes in AWE concepts.

Changes to imputation

To accurately account for the small number of businesses unable to respond this cycle, the existing AWE imputation processes were refined to include whether the employer was in receipt of JobKeeper payments, as part of the imputation class structure.

Changes to time series methods

Consistent with other ABS labour statistics, the AWE trend series have been suspended until more certainty emerges in the underlying trend in earnings estimates over the COVID-19 period. Spreadsheets containing seasonally adjusted and original data will continue to be published in the standard format, but trend spreadsheets will not be published during the COVID-19 period.

During the COVID-19 period, the ABS will use forward seasonal factors to produce some seasonally adjusted average weekly earnings estimates. Forward factor adjustments are generally better suited to managing large movements at the end point of a series and ensure that large movements do not have a disproportionate influence on the seasonal factors. The forward factor approach is not considered suitable for series with a non-seasonal span, and the concurrent adjustment method continued to be used for these series. For a more detailed discussion on the implications of unusual events on time series, see When it's not "business-as-usual": Implications for ABS Time Series (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts
//1350.0Feature%20Article1Aug%202009?opendocument&tabname=Summary&prodno=1350.0&issue=Aug%202009&num=&view=).

Further information on methods

Additional information can be found in the Methodology for this release, or at labour.statistics@abs.gov.au (mailto:labour.statistics@abs.gov.au).

Inquiries

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070. The <u>ABS Privacy Policy (https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/Privacy?opendocument#from-banner=GB)</u> outlines how the ABS will handle any personal information that you provide to us.

Data downloads - time series spreadsheets

I-note

The trend estimates have been suspended from May 2020 for all Average Weekly Earnings series due to the impact of the COVID-19 pandemic on the labour market.

Table 2. Average weekly earnings, Australia (dollars) - seasonally adjusted

<u> → Download XLS</u>

[62 KB]

Table 3. Average weekly earnings, Australia (dollars) - original

<u> ▶ Download XLS</u>

[73.5 KB]

Table 5. Average weekly earnings, private sector - Australia (dollars) - seasonally adjusted

<u> → Download XLS</u>

[62.5 KB]

Table 6. Average weekly earnings, private sector - Australia (dollars) - original

▶ Download XLS

[74 KB]

Table 8. Average weekly earnings, public sector - Australia (dollars) - seasonally adjusted

[62.5 KB]

Table 9. Average weekly earnings, public sector - Australia (dollars) - original

↓ Download XLS

[74 KB]

Table 10a. Average weekly earnings, industry, Australia (dollars) - original - males, full time adult ordinary time earnings

<u> → Download XLS</u>

[94 KB]

Table 10b. Average weekly earnings, industry, Australia (dollars) - original - males, full time adult total earnings

↓ Download XLS

[94.5 KB]

Table 10c. Average weekly earnings, industry, Australia (dollars) - original - males, total earnings

▶ Download XLS

[94 KB]

Table 10d. Average weekly earnings, industry, Australia (dollars) - original - females, full time adult ordinary time earnings

▶ Download XLS

[95 KB]

Table 10e. Average weekly earnings, industry, Australia (dollars) - original - females, full time adult total earnings

↓ Download XLS

[94.5 KB]

Table 10f. Average weekly earnings, industry, Australia (dollars) - original - females, total earnings

[94.5 KB]

Table 10g. Average weekly earnings, industry, Australia (dollars) - original - persons, full time adult ordinary time earnings

▶ Download XLS

[94.5 KB]

Table 10h. Average weekly earnings, industry, Australia (dollars) - original - persons, full time adult total earnings

▶ Download XLS

[94 KB]

Table 10i. Average weekly earnings, industry, Australia (dollars) - original - persons, total earnings

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[94.5 KB]

Table 12a. Average weekly earnings, New South Wales (dollars) - seasonally adjusted

↓ Download XLS

[62.5 KB]

Table 12b. Average weekly earnings, Victoria (dollars) - seasonally adjusted

▶ Download XLS

[62.5 KB]

Table 12c. Average weekly earnings, Queensland (dollars) - seasonally adjusted

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↓ Download XLS
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[62.5 KB]

Table 12d. Average weekly earnings, South Australia (dollars) - seasonally adjusted

▶ Download XLS

[62.5 KB]

Table 12e. Average weekly earnings, Western Australia (dollars) - seasonally adjusted

<u> ▶</u> Download XLS

[62.5 KB]

Table 12f. Average weekly earnings, Tasmania (dollars) - seasonally adjusted

<u> → Download XLS</u>

[62.5 KB]

Table 12g. Average weekly earnings, Northern Territory (dollars) - seasonally adjusted

▶ Download XLS

[62.5 KB]

Table 12h. Average weekly earnings, Australian Capital Territory (dollars) - seasonally adjusted

<u> ▶</u> Download XLS

[62.5 KB]

Table 13a. Average weekly earnings, New South Wales (dollars) - original

<u> → Download XLS</u>

[<u>74 KB</u>]

Table 13b. Average weekly earnings, Victoria (dollars) - original

<u> ▶</u> Download XLS

[<u>74 KB</u>]

Table 13c. Average weekly earnings, Queensland (dollars) - original

[73.5 KB]

Table 13d. Average weekly earnings, South Australia (dollars) - original

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[74 KB]

Table 13e. Average weekly earnings, Western Australia (dollars) - original

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[74 KB]

Table 13f. Average weekly earnings, Tasmania (dollars) - original

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↓ Download XLS
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[74 KB]

Table 13g. Average weekly earnings, Northern Territory (dollars) - original

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<u> → Download XLS</u>
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[73.5 KB]

Table 13h. Average weekly earnings, Australian Capital Territory (dollars) - original

<u> → Download XLS</u>

[74 KB]

Table 14a. Average weekly earnings, private and public sectors, New South Wales (dollars) - original - persons

<u> → Download XLS</u>

[68.5 KB]

Table 14b. Average weekly earnings, private and public sectors, Victoria (dollars) - original - persons

↓ Download XLS

[68.5 KB]

Table 14c. Average weekly earnings, private and public sectors, Queensland (dollars) - original - persons

↓ Download XLS

[69 KB]

Table 14d. Average weekly earnings, private and public sectors, South Australia (dollars) - original - persons

[<u>69 KB</u>]

Table 14e. Average weekly earnings, private and public sectors, Western Australia (dollars) - original - persons

<u> → Download XLS</u>

[69 KB]

Table 14f. Average weekly earnings, private and public sectors, Tasmania (dollars) - original - persons

<u> → Download XLS</u>

[69 KB]

Table 14g. Average weekly earnings, private and public sectors, Northern Territory (dollars) - original - persons

▶ Download XLS

[69 KB]

Table 14h. Average weekly earnings, private and public sectors, Australian

Capital Territory (dollars) - original - persons

[69 KB]

All time series spreadsheets

▶ Download ZIP

[1.45 MB]

Data downloads - data cubes

Table 15: Average weekly cash earnings, Australia by sector (dollars) - original

▶ Download XLS

[540.5 KB]

Table 16: Average weekly cash earnings, state by sector (dollars) - original

▶ Download XLS

[3.62 MB]

Table 17: Average weekly cash earnings, industry, Australia (dollars) - original

[2.6 MB]

All data cubes

[1.55 MB]

Previous catalogue number

This release previously used catalogue number 6302.0.

Methodology

Average Weekly Earnings, Australia methodology, May 2020